

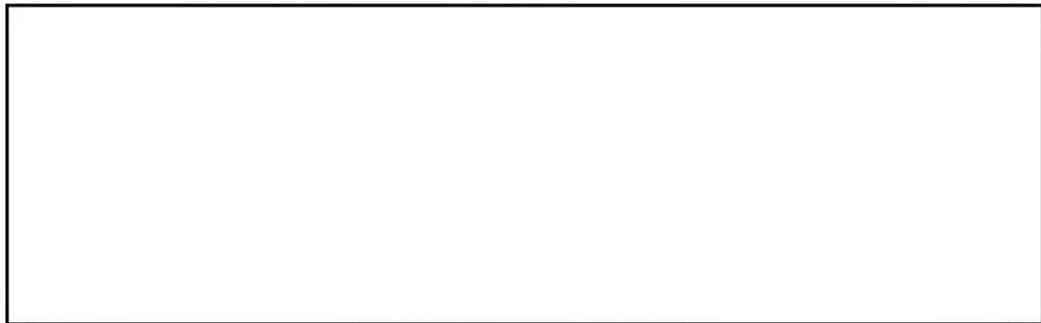
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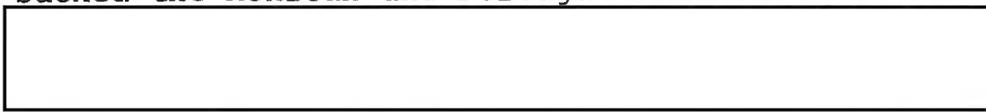


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Madrid Rally Backs Franco on Executions

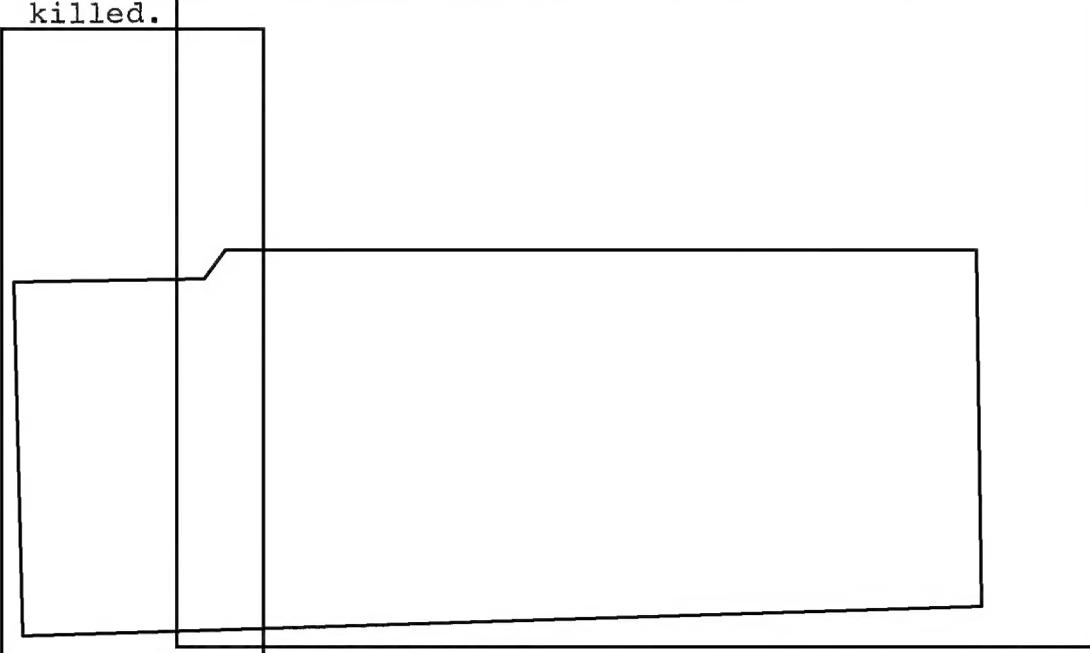
The large turnout for the pro-Franco rally staged in Madrid yesterday will reinforce the government in its determination to press its campaign against terrorism. The impressive attendance--some estimates range as high as 300,000--amounted to a patriotic backlash against foreign criticism.

The night before, rightist demonstrators sacked the Mexican and Portuguese airline offices.



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Tension arose in Madrid yesterday morning just prior to the rally when word got out that four policemen had been shot and three of them had been killed.



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West Europeans Show Opposition to Franco
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The widespread trade-union activities throughout West Europe yesterday aimed at "isolating" the Franco government were notable for the conjunction they represented of both democratic and communist labor efforts. The effectiveness of the action, which included a transportation boycott and protest demonstrations, varied sharply from country to country.

The European Trade Union Confederation's initiative--billed as a "Day of Trade Union Solidarity with the Spanish People"--was actively supported by a majority of the national trade union centers. The Confederation had made a last-ditch effort to persuade Madrid to commute the death sentences of the terrorists who were executed last week.

Most of yesterday's activity centered on disrupting communications, and the International Transport Workers' Federation called for a two-day boycott of all transportation to and from Spain. According to press reports, the call was largely ignored in Holland and Britain but highly effective in Greece, Italy, Belgium and the Scandinavian countries.

So-called "solidarity" meetings and brief, symbolic work shortages took place on a nationwide scale in several countries including France, the Netherlands, Italy, Greece, West Germany, and in Scandinavia.

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Over the longer-run, the unions are also spearheading efforts to discourage tourist travel to Spain, to boycott Spanish products, and to suspend any further development in trade relations with Madrid.

In France, the largest confederation, the Communist-dominated General Confederation of Labor, claimed to be responding to a "parallel" appeal for boycott action by the communist labor international. It seems likely that the Communists chose the same day as the democratic confederation in order to create the impression of coordinated activity. The French Communists, relieved by this opportunity to shift public attention away from their embarrassingly Stalinist stand on Portugal, have used the "joint" action to lend credibility to one of their favorite themes: Communist leadership of European labor solidarity from the Atlantic to the Urals.

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EC Decision on Aid to Portugal Due Next Week

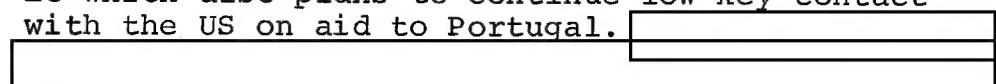
EC officials have agreed to give Portugal financial aid and the foreign ministers of the Nine plan to approve a specific program on Monday.

The ministers have invited Portuguese Foreign Minister Antunes to Luxembourg on Tuesday to discuss an initial aid package expected to total \$200 million in loans from the European Investment Bank. The loans will be tied to specific project proposals and the necessary preparatory work will delay the transfer of funds for at least four to six months.

Lisbon had also asked for direct assistance to cover its balance of payments problem. The EC will probably insist that such funds should come from the IMF or the World Bank. It is unlikely that these institutions would agree to any loan commitments, however, until Lisbon puts its economic house in order.

EC officials hope their decision, which demonstrates strong Community support for the new government, will encourage additional private investment in Portugal.

EC recognition of Lisbon's moves toward "pluralist democracy" should also open the door to West German, Dutch and Danish bilateral assistance programs. These national programs will probably be coordinated through the EC which also plans to continue low-key contact with the US on aid to Portugal.



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